


1972 ANNUAL REPORT

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MICC INVESTMENTS LIMITED



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MICC INVESTMENTS LIMITED

401 BAY STREET

TORONTO, ONTARIO

BOARD OF DIRECTORS OF

MICC INVESTMENTS LIMITED AND THE MORTGAGE INSURANCE COMPANY OF CANADA

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Chairman
The Bank of Nova Scotia
Toronto, Ontario

T. L. BROCK
Secretary
Aluminum Company of Canada,
Ltd.
Montreal, Quebec

R. C. BROWN
Partner
Blake, Cassels & Graydon
Toronto, Ontario

HAROLD CORRIGAN
President
Alcan Canada Products Limited
Toronto, Ontario

DUDLEY DAWSON
Vice-Chairman
Greenshields Incorporated
Montreal, Quebec

GARDNER ENGLISH
President
MICC Investments Limited
Toronto, Ontario

C. W. JAMESON
Deputy Chief General Manager
The Bank of Nova Scotia
Toronto, Ontario

MAX H. KARL
President
MGIC Investment Corporation
Milwaukee, Wisconsin, U.S.A.

PETER KILBURN
Chairman
Greenshields Incorporated
Montreal, Quebec

PAUL LEMAN
President
Alcan Aluminium Ltd.
Montreal, Quebec

REGINALD T. RYAN
Executive Vice-President
MICC Investments Limited
Toronto, Ontario

H. N. SEATH
Director, Investments
Air Canada
Montreal, Quebec

G. D. SUTTON
President
Canadian Enterprise Development
Corporation Limited
Montreal, Quebec

J. L. TOOLE
Chairman, CN Investment Division
Canadian National Railways
Montreal, Quebec

C. L. TOWNEND
Assistant General Manager
The Toronto-Dominion Bank
Toronto, Ontario

G. J. van den BERG
Vice-President — Finance
Canadian Pacific Limited
Montreal, Quebec

J. LEONARD WALKER
President
Bank of Montreal
Montreal, Quebec

B. G. WILLIS
Senior Vice-President
Greenshields Incorporated
Toronto, Ontario

AS AT DECEMBER 31, 1972

EXECUTIVE OFFICERS

MICC INVESTMENTS LIMITED

President
GARDNER ENGLISH

Executive Vice-President
REGINALD T. RYAN
Vice-President
C. W. JAMESON

Secretary-Treasurer
DAVID C. TOMS

THE MORTGAGE INSURANCE COMPANY OF CANADA

*Chairman of the Board and
Chief Executive Officer*
GARDNER ENGLISH

President
REGINALD T. RYAN
Vice-President
C. W. JAMESON

Vice-President
JAMES McAVOY
Secretary-Treasurer
DAVID C. TOMS

MICC INVESTMENTS LIMITED

PRESIDENT'S MESSAGE

The year 1972 was an eventful one for MICC Investments Limited and was marked by substantial progress in the affairs of the company. This message will report to the shareholders on general corporate matters. In June 1972 your company went public with a successful offering of 550,000 shares. The shares of the company were duly listed on the Toronto and Montreal Stock Exchanges. This afforded the first opportunity in Canada for the general public to participate in the private mortgage insurance industry, and at December 31, 1972 approximately 92% of the company's outstanding shares were held by residents of Canada.

Operating results for the year under review indicated net earnings after taxes of \$1,653,000 or \$1.15 per share compared with 72¢ per share for the year 1971. These earnings per share are calculated on the average number of shares outstanding during the periods. Consolidated assets of the company amounted to \$33,778,000 compared with \$14,761,000 at the end of 1971.

The operations of our principal subsidiary, The Mortgage Insurance Company of Canada, which enjoyed a most successful year, are described in detail in a later section of this report by Mr. R. T. Ryan, its president. It issued commitments for domestic mortgage insurance of more than \$770,000,000 and insurance premiums received on all classes of business exceeded \$11,200,000 for the year. The large volume of new business can be attributed mainly to a buoyant economy, record production of new housing and a very active real estate market in all parts of Canada.

The Mortgage Insurance Company of Canada was the only licensed company in the mortgage insurance business in Canada during 1972. In the closing months of last year, announcement was made of intention to form two new companies in



this field. Your management believes that the entry of additional companies into the mortgage insurance field will expand the potential for the private mortgage insurance industry. I am confident that your company, with its strong financial base and demonstrated ability to compete with the government plan, will continue to be the industry leader.

The current year begins with an atmosphere for profitable operation. Demand for housing and other forms of real estate remains high and should be sustained. Mortgage funds available from all institutional sources are currently abundant and should remain so through the year. These elements presage

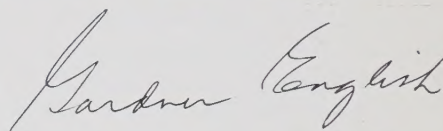
another year of accomplishment and profit. We expect to prosper with Canada in 1973.

Your company has a 50% interest in Charlotte Properties Limited, a company engaged in recreational land development at Dickey Lake in Hastings County, Ontario. Progress in this development has been somewhat slow to date with operations in 1972 resulting in a small loss of \$6,000. Management expects this project to ultimately achieve a profitable result.

Prior to the public offering in 1972, the company's shares were held primarily by a group of financial institutions. Representatives of these institutions formed the board of directors. I would

like to thank them for the substantial contribution which they have made during the company's formative years.

The board and management of the company were saddened by the death of their fellow director, Mr. J. Leonard Walker, who died on February 4, 1973.



Gardner English
President

February, 1973



MICC INVESTMENTS LIMITED

HIGHLIGHTS FOR THE YEAR

	1972	1971
	\$	\$
NET EARNINGS	1,653,034	758,691
TOTAL ASSETS	33,777,684	14,760,666
SHAREHOLDERS' EQUITY	18,158,370	8,683,726
INVESTMENT INCOME	1,352,400	702,765
PREMIUMS EARNED	<u>2,501,954</u>	<u>866,821</u>
EARNINGS PER SHARE	<u>\$1.15</u>	<u>\$0.72</u>

MICC INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1972

	ASSETS	1972 \$	1971 \$
CASH AND ACCOUNTS RECEIVABLE			
Cash		279,001	207,074
Interest accrued and sundry receivables		410,852	189,191
Premiums receivable		590,400	166,280
Due from other insurance companies		1,404,208	240,617
		<u>2,684,461</u>	<u>803,162</u>
INVESTMENTS			
Treasury bills and other short-term securities — at cost		5,854,787	850,000
Bonds and debentures — at amortized cost (market value \$21,745,692; 1971 — \$10,537,886)		22,357,351	10,919,796
Stocks — at market value (cost \$1,835,477; 1971 — \$1,735,278)		1,919,182	1,643,325
Mortgages — at cost		411,808	315,711
Real estate		63,360	—
Associated company (note 4)		215,176	208,401
		<u>30,821,664</u>	<u>13,937,233</u>
OTHER ASSETS			
Loan to trustees under employee stock purchase plan		215,578	—
Other		55,981	20,271
		<u>271,559</u>	<u>20,271</u>
Signed on behalf of the Board			
GARDNER ENGLISH, Director.			
G. D. SUTTON, Director.			
		<u>33,777,684</u>	<u>14,760,666</u>

	LIABILITIES	1972 \$	1971 \$
ACCOUNTS PAYABLE			
Due to other insurance companies		57,404	93,557
Provision for claims		46,892	23,550
Accounts payable and accrued liabilities		58,041	30,331
Premium taxes payable		136,146	60,930
Income taxes payable		644,431	197,962
		<u>942,914</u>	<u>406,330</u>
UNEARNED NET PREMIUMS		13,534,428	4,813,050
DEFERRED INCOME TAXES		1,141,972	857,560
		<u>15,619,314</u>	<u>6,076,940</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 6)

Authorized —

5,000,000 common shares without par value (1971 — 1,600,000
as subdivided)

Issued and fully paid —

1,718,764 common shares (1971 — 1,151,564 as subdivided) 13,789,852 5,811,532

RETAINED EARNINGS (note 7) 4,304,902 2,964,147

18,094,754 8,775,679

UNREALIZED GAIN (LOSS) ON STOCKS 63,616 (91,953)

18,158,370 8,683,726

33,777,684 14,760,666

MICC INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1972

	1972 \$	1971 \$
INCOME		
Net premiums written (note 8)	11,223,332	3,312,824
Less: Transfers to unearned net premiums	8,721,378	2,446,003
Premiums earned	2,501,954	866,821
Application fees	614,921	239,335
Commission income	6,057	9,232
	<u>3,122,932</u>	<u>1,115,388</u>
Investment income —		
Interest	1,270,396	626,176
Dividends	85,229	76,023
Other	(3,225)	566
	<u>1,352,400</u>	<u>702,765</u>
	<u>4,475,332</u>	<u>1,818,153</u>
EXPENSES		
Losses on claims incurred	97,952	42,513
Insurance underwriting and policy issuance expenses	756,937	218,116
Premium taxes	143,764	61,417
Other operating expenses	402,696	196,722
	<u>1,401,349</u>	<u>518,768</u>
EARNINGS BEFORE INCOME TAXES	<u>3,073,983</u>	<u>1,299,385</u>
PROVISION FOR INCOME TAXES		
Current	1,163,500	497,700
Deferred	264,323	101,652
	<u>1,427,823</u>	<u>599,352</u>
NET EARNINGS BEFORE REALIZED INVESTMENT GAINS	<u>1,646,160</u>	<u>700,033</u>
Realized gain on disposal of investments (net of income taxes applicable thereto of \$2,700; 1971 — Nil)	6,874	58,658
NET EARNINGS FOR THE YEAR	<u>1,653,034</u>	<u>758,691</u>
EARNINGS PER SHARE (note 9)		
Net earnings before realized investment gains	\$1.15	\$.66
Net earnings for the year	\$1.15	\$.72
Average number of shares outstanding	1,434,497	1,053,296

MICC INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF UNREALIZED GAIN (LOSS) ON STOCKS

FOR THE YEAR ENDED DECEMBER 31, 1972

	1972 \$	1971 \$
UNREALIZED (LOSS) ON STOCKS — BEGINNING OF YEAR	(91,953)	(146,318)
Unrealized gain on stocks for the year	175,658	54,365
	83,705	(91,953)
Provision for deferred income taxes	20,089	—
UNREALIZED GAIN (LOSS) ON STOCKS — END OF YEAR	63,616	(91,953)

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1972

	1972 \$	1971 \$
RETAINED EARNINGS — BEGINNING OF YEAR	2,964,147	2,335,363
Net earnings for the year	1,653,034	758,691
	4,617,181	3,094,054
Expenses of stock issue	54,464	—
Cash dividend	257,815	129,907
	312,279	129,907
RETAINED EARNINGS — END OF YEAR	4,304,902	2,964,147

MICC INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN INVESTMENT FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1972

	1972 \$	1971 \$
SOURCE OF FUNDS		
Operations —		
Net earnings for the year	1,653,034	758,691
Income taxes deferred	264,323	101,652
Depreciation	12,525	4,264
Funds generated from operations	1,929,882	864,607
Unrealized gain on stocks	175,658	54,365
Increase in unearned net premiums	8,721,378	2,446,003
Common shares issued (net of expenses)	7,923,856	1,123,060
	<u>18,750,774</u>	<u>4,488,035</u>
USE OF FUNDS		
Increase in cash and accounts receivable over accounts payable	1,344,715	103,038
Purchase of fixed assets	48,235	2,538
Dividends	257,815	129,907
Loans to trustees under employee stock purchase plan	215,578	—
	<u>1,866,343</u>	<u>235,483</u>
FUNDS AVAILABLE FOR INVESTMENT	16,884,431	4,252,552
INVESTMENT FUNDS — BEGINNING OF YEAR	13,937,233	9,684,681
INVESTMENT FUNDS — END OF YEAR	<u>30,821,664</u>	<u>13,937,233</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1972

1. COMPANY NAME

By Supplementary Letters Patent dated May 4, 1972, the company changed its name from Holborough Investments Limited to MICC Investments Limited.

2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of MICC Investments Limited (the "company") include the accounts of its subsidiary, The Mortgage Insurance Company of Canada (MICC).

3. BASIS OF PRESENTATION

The accounts of MICC are included herein in accordance with generally accepted accounting principles. Adjustments have been made for consolidation purposes to convert these accounts from a statutory basis. The most significant adjustments are as follows:

- (a) The values of bonds and debentures have been converted to amortized cost from values authorized by the Superintendent of Insurance.
- (b) The values of stocks have been converted to quoted market values from values authorized by the Superintendent of Insurance.
- (c) Acquisition costs and other expenses related to premium income have been amortized over the life of the policies and not charged to expense in the year incurred.
- (d) The "additional policy reserve" and "reserve for unregistered reinsurance" set up under statutory requirements have been eliminated and the reserve for unearned premiums has been reduced to account for the deferral of acquisition costs referred to under (c).
- (e) Other assets, comprising office equipment and leasehold improvements, have been capitalized and then depreciated over their useful lives rather than being written off when acquired.
- (f) Provision has been made for deferred income taxes, not required under the statutory basis.

4. ASSOCIATED COMPANY

The investment in the associated company is stated at cost, adjusted for the company's share of earnings, less losses, since date of acquisition, and consists of the following:

		\$
Demand loan (unsecured)		100,000
9,000 redeemable preference shares		90,000
20,000 common shares	20,000	
Share of earnings to November 30, 1972	<u>5,176</u>	<u>25,176</u>
		215,176

5. CONTINGENT LIABILITY

The company has guaranteed bank advances to the associated company to a maximum of \$500,000. As at December 31, 1972, the bank advances to the associated company were \$483,000.

6. CAPITAL STOCK

By Supplementary Letters Patent dated May 4, 1972, the company subdivided each of the issued and unissued common shares of the company into two shares and increased the authorized capital of the company to 5,000,000 common shares without par value.

15,200 common shares were issued under an employee stock purchase plan to a director who is also an officer, and to other senior officers and employees of the company on June 12, 1972, for a total consideration of \$214,320.

550,000 common shares were issued to the public on June 28, 1972, for a total cash consideration of \$7,755,000. Expenses relating to this issue of \$54,464 have been charged to retained earnings.

2,000 common shares were issued under the provisions of a stock option to a director, who is also an officer of the company, on October 27, 1972, for a total cash consideration of \$9,000. There are no stock options outstanding at December 31, 1972.

7. RETAINED EARNINGS

Dividends payable by MICC are limited in 1973, under the provisions of Section 105 of the Canadian and British Insurance Companies Act, to 75% of the average statutory results of MICC for the preceding three years. In effect, these provisions reduce the amount of retained earnings of the company available for distribution in 1973 by approximately \$3,700,000.

8. NET PREMIUMS WRITTEN

Net premiums written for the year ended December 31, 1972 were derived from the following sources:

	1972	1971
	\$	\$
Mortgage insurance in Canada	7,111,305	2,953,154
U.S. mortgage reinsurance	4,051,454	267,353
Lease guarantee insurance in Canada	60,573	92,317
	<u>11,223,332</u>	<u>3,312,824</u>

9. EARNINGS PER SHARE

Earnings per share are based on the weighted average number of shares outstanding during the year. 1971 comparative earnings per share have been restated giving effect to the subdivision of shares referred to in note 6.

10. STATUTORY INFORMATION

Depreciation charged in the year amounted to \$12,525.

As required under the Canada Corporations Act, fees and other remuneration paid to directors and officers were as follows:

Number of directors of the company	18
Aggregate remuneration as directors of the company	\$ 2,100
Aggregate remuneration as directors of MICC	\$ 9,800
Number of officers of the company	4
Aggregate remuneration as officers of MICC	\$106,083
Number of officers of the company who are also directors of the company	3
One officer, who is also a director, receives no remuneration as an officer.	

The aggregate remuneration paid to directors and senior officers, as defined by The Securities Act, (Ontario) totalled \$142,800.

In addition, loans made to a director who is also an officer and to another officer, under the employee stock purchase plan referred to in note 6, totalled \$112,044 as of December 31, 1972.

11. PENSION COSTS

Included in expenses are pension costs of \$47,000 for employer's contribution to staff pension plans. Actuarial valuations of the plans show an unfunded amount of \$34,000 which is being amortized at the rate of \$10,000 per annum.

12. FOREIGN EXCHANGE

Assets and liabilities in United States dollars have been translated at the rate prevailing on December 31, 1972. Earnings have been translated into Canadian dollars at the average rate prevailing through the year.

13. COMPARATIVE FIGURES

Certain 1971 figures have been reclassified for comparative purposes.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of MICC Investments Limited and subsidiary company as at December 31, 1972 and the consolidated statements of earnings, retained earnings, unrealized gain (loss) on stocks and changes in investment funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1972 and the results of their operations and the changes in their investment funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
February 5, 1973.

McDONALD, CURRIE & CO.,
Chartered Accountants.

THE MORTGAGE INSURANCE COMPANY OF CANADA

PRESIDENT'S REPORT

I am pleased to report to the shareholders that the substantial progress which The Mortgage Insurance Company of Canada achieved in 1971 continued at an accelerated pace throughout 1972. Premiums written, total assets, earnings and insurance in force were all at record levels.

Mortgage insurance commitments issued totalled \$770,000,000, approximately triple the 1971 figure of \$257,000,000. With this substantial volume of new business, insurance in force in Canada increased to over \$965,000,000, compared to \$460,000,000 at the end of 1971. Net premiums written totalled \$11,223,332 compared to \$3,312,824 in 1971. The 1972 figure included \$4,051,454 in premiums from reinsurance of 95% house loans insured in the U.S.A. by Mortgage Guaranty Insurance Corporation compared to \$267,353 in 1971. As announced earlier in the year, the reinsurance agreement was renegotiated effective January 1, 1973 to provide for a reduced liability of the company with a corresponding reduction in the premium rate. We have been informed by the U.S. company that this agreement will probably be terminated, as to new insurance, before the end of 1973 because of legislative changes in a number of states, which removes the need for reinsurance.

In accordance with the company's accounting procedures, premiums written under this arrangement are credited to unearned premium reserve. The contribution to earnings in 1972 on a pre-tax basis from this source amounted to approximately \$500,000. The balance, plus additional premiums written until the agreement is terminated, will be drawn down over the next ten years contributing to earnings over that period, subject to loss experience.

Assets increased substantially during the year to \$32,138,162 at year end compared to \$14,016,248 at December 31, 1971. This increase resulted from the cash flow generated by a much higher volume



of business and from the proceeds of common stock issues. During the course of the year, 26,500 shares of capital stock were issued to MICC Investments Limited for a total consideration of \$7,500,000.

Insurance Services

In 1972, approximately 80% of commitment volume was on high ratio house and duplex loans. We were particularly pleased to note during the past year that many more house-builders turned to the MICC plan for the financing and marketing of their housing projects.

The quality of high ratio house loans insured was excellent. Housing located in metropolitan and

major urban areas accounted for 75% of total commitments. Borrower's ability to pay, as measured by assessment of mortgage payments related to income, remained favourable. Average size of house loans rose moderately to \$24,000 reflecting increased home prices.

The insuring of mortgages on apartments and town housing for rental is becoming an increasingly important part of our business and last year commitments were issued for \$62,000,000. Approximately 80% of this volume related to loans in excess of 75% of value. Mortgage insurance commitments on commercial and industrial properties totalled \$58,100,000, a substantial increase over 1971. Commitments were issued on a wide variety of properties, including shopping centres, office buildings, warehouses, etc. While most of these projects were located in larger cities across the country, we were pleased that our services assisted in the financing of developments in a number of smaller communities also.

The lease guarantee insurance program moved ahead in 1972 and commitments covering \$9,900,000 of insured rent were issued during the year. Considerable educational work is required to gain wide acceptance of this class of insurance and sale of this service will be aggressively promoted in 1973.

During 1972 the company made a number of improvements to existing programs of mortgage insurance. The maximum loan ratio for house and duplex loans was increased from 90% to 95% and there was a general reduction in premium rate from 1½% to 1¼%. Furthermore, for loans up to \$18,000, the premium was reduced to 1% matching the NHA mortgage insurance fee for new construction loans. Modest reductions were also made in the premium structure relating to 75% house loans and rental loans.

In line with the company's policy of progressively increasing the unit size of risks it is prepared to insure, the maximum loan amount for rental and commercial and industrial properties was increased by \$500,000 during 1972 to \$2,500,000 for loans up to 75% of value, and to \$2,000,000 for loans in excess of 75% of value.

During the year, 22 new companies were added to our list of lender clients — 2 chartered banks, 4 life insurance companies, 8 trust companies, 7 loan companies and 1 Approved Correspondent. There are now 106 companies which have been designated as Approved Lenders or Approved Correspondents.

Defaults and Claims

Despite statistics which indicate a high unemployment rate in many parts of the country, mortgage default and loss experience were again very satisfactory in 1972. The default ratio on Canadian business — i.e., ratio of accounts three months or more in arrears to insured mortgages under administration — was 0.23% at year end. At end of 1971, the ratio was 0.32%.

Losses on claims incurred totalled \$97,952, compared to losses of \$42,513 in 1971. These figures include losses on U.S. reinsurance of \$40,071 for 1972 and \$1,050 for 1971. At year end, 3 properties acquired as a result of claims paid on Canadian business remained unsold. One small lease guarantee loss was incurred during the year.

Investments

The Investment portfolio of the company increased by \$16,252,843 during the year. The portfolio is conservative in nature and consists mainly of fixed income securities, although growing emphasis will be placed in the future on investment in dividend paying securities — in particular, preferred shares.

The investment portfolio of the company at book value, at December 31, 1972, was as follows:

Canadian Portfolio

Obligations of Federal Government of Canada	\$ 8,781,394
Canadian Provincial and Municipal Obligations	6,520,471
Corporation fixed income securities — Bonds, Guaranteed Investment Certificates, Certificates of Deposit	6,809,594
Preferred Stocks	1,060,423
Common Stocks	775,054
Total Canadian Portfolio . . .	\$23,946,936

U.S. Portfolio

The company has a securities portfolio lodged with a trustee in accordance with U.S. legislative requirements to support insurance liability under our reinsurance treaty with Mortgage Guaranty Insurance Corporation.

This portfolio, at book value, as at December 31, 1972 was as follows:

Obligations of U.S. Government . . .	\$ 4,389,403
Corporate Fixed Income Securities . . .	1,351,000
Total U.S. Portfolio	\$ 5,740,403

The average rate of return on investments for the year, after all investment expenses, was 7.2%.

1973 Outlook

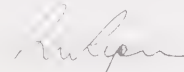
The year 1972 set another record for housing starts in Canada with construction being commenced on 250,000 units of all types. This represents an increase of 7% over 1971.

The year was highlighted by an ample supply of mortgage funds from lending institutions, and competition for investments was keen, resulting in relatively stable interest rates throughout the year.

The chartered banks and trust and loan companies all increased their investment activity in mortgages. Several life insurance companies re-entered the home mortgage field after an absence of a few years. Pension fund investment in mortgages continues to grow at a moderate but steady pace. Governments were again active in housing during the past year, with both federal and provincial funds being provided principally for families of low income. We note with satisfaction that greater attention is being given to providing ownership housing for low income families as an alternative to rental subsidy.

Although both 1971 and 1972 witnessed record levels of new housing, the market has readily absorbed the new units produced. With relatively strong economic prospects for 1973 and evidence of a continued good money supply, the current year should be another good one for housing and for the real estate market.

I believe that 1973 should also be another good year for your company. Private mortgage insurance has become a significant part of the Canadian mortgage finance scene and has achieved acceptance by the home-buying public, lending institutions, house builders, realtors and developers. The company expects a continued growth in business from customers of long standing as well as others who became active lenders in 1972. New offices were opened early in the new year in Halifax, Montreal and Vancouver and we are confident that local representation will solidify growth achieved to date and assist in developing the potential which exists for greater penetration into the commercial and industrial fields of real estate finance.



R. T. Ryan
President

February, 1973

THE MORTGAGE INSURANCE COMPANY OF CANADA

BALANCE SHEET AS AT DECEMBER 31, 1972

(SUMMARY OF BALANCE SHEET FILED WITH THE SUPERINTENDENT OF INSURANCE)

	ASSETS	1972 \$	1971 \$
CASH AND ACCOUNTS RECEIVABLE			
Cash		246,723	193,033
Premiums receivable		590,400	166,280
Interest accrued and sundry receivables		405,543	188,607
Due from other insurance companies		1,404,208	240,617
		<u>2,646,874</u>	<u>788,537</u>
INVESTMENTS			
Bonds, debentures and stocks — at authorized values (approximating market value)		29,016,120	12,912,000
Mortgages		411,808	315,711
Real estate		63,360	—
		<u>29,491,288</u>	<u>13,227,711</u>

Signed on behalf of the Board,

GARDNER ENGLISH, Director.

G. D. SUTTON, Director.

<u>32,138,162</u>	<u>14,016,248</u>
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LIABILITIES

	1972 \$	1971 \$
ACCOUNTS PAYABLE		
Provision for claims	46,892	23,550
Accounts payable and accrued liabilities	69,017	29,781
Due to other insurance companies	57,404	93,557
Premium taxes payable	136,146	60,930
Income taxes payable	641,731	197,962
	<u>951,190</u>	<u>405,780</u>
RESERVES		
Reserve for unearned premiums	14,900,549	5,808,873
Additional policy reserve	875,287	718,258
Reserve for unregistered reinsurance	108,522	31,518
	<u>15,884,358</u>	<u>6,558,649</u>
	<u>16,835,548</u>	<u>6,964,429</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized — 100,000 shares of the par value of \$100 each (1971 — 50,000)		
Issued and fully paid — 71,400 shares (1971 — 44,900)	7,140,000	4,490,000
CONTRIBUTED SURPLUS	6,017,914	1,167,914
EARNED SURPLUS	2,144,700	1,393,905
	<u>15,302,614</u>	<u>7,051,819</u>
	<u>32,138,162</u>	<u>14,016,248</u>



APPROVED LENDERS

Alliance Mutual Life Insurance Company
The Artisans Life Insurance Cooperative Society
Assumption Mutual Life Insurance Company
Bank of British Columbia
Bank of Montreal
The Bank of Nova Scotia
The Canada Life Assurance Company
Canada Permanent Trust Company
The Canada Trust Company
Canadian First Mortgage Corporation
Canadian Premier Life Insurance Company
The Canadian Provident
Central Covenants Limited
Central Financial Corporation Limited
The Central Trust Company of Canada
City Savings and Trust Company
Confederation Life Insurance Company
Co-operative Trust Company of Canada
County Savings and Loan Corporation
Credit Foncier Franco-Canadien
Crown Life Insurance Company
Crown Trust Company
District Trust Company
The Dominion Life Assurance Company
The Eastern Canada Savings and Loan Company
The T. Eaton Life Assurance Company

Equitable Life Insurance Company of Canada
The Equitable Trust Company
The Excelsior Life Insurance Company
Farmers and Merchants Trust Company Limited
Federal Trust and Savings Company
Fidelity Life Assurance Company
Fidelity Mortgage and Savings Corporation
The Great-West Life Assurance Company
Guaranty Trust Company of Canada
Guardian Trust Company
Hamilton Trust and Savings Corporation
Heritage Savings and Trust Company
The Imperial Life Assurance Company of Canada
Industrial Life Insurance Company
Inland Trust and Savings Corporation Limited
International Savings and Mortgage Corporation
International Trust Company
Investors Syndicate Limited
The Lambton Loan and Investment Company
The Laurentian Mutual Assurance Company
The Lincoln Trust and Savings Company
London Life Insurance Company
Metropolitan Life Insurance Company
The Metropolitan Trust Company
The Monarch Life Assurance Company
Montreal Trust Company

Morguard Trust Company
The Municipal Savings and Loan Corporation
The Mutual Life Assurance Company of Canada
National Trust Company Limited
North America Trust Company
North American Life Assurance Company
North West Life Assurance Company of Canada
North West Trust Company
The Northern Life Assurance Company of Canada
Norwich Union Life Insurance Society
Nova Scotia Savings and Loan Company
The Nova Scotia Trust Company
Ontario Trust Company
The Provincial Bank of Canada
Quebec Deposit and Investment Fund
The Royal Trust Company

Savings and Investment Trust Company
Settlers Savings and Mortgage Corporation
The Sovereign Life Assurance Company of Canada
Standard Life Assurance Company
Standard Trust Company
The Sterling Trusts Corporation
Sun Life Assurance Company of Canada
The Toronto-Dominion Bank
The Trustees of Canada Packers Retirement
Plan Trust
Trust Général du Canada
United Trust Company
Victoria and Grey Trust Company
Wenagara Corporation Limited
Yorkshire Trust Company

FEBRUARY, 1973



HEAD OFFICE

Suite 1212, 401 Bay Street • Toronto 1, Ontario

James McAvoy — Vice President, Chief Underwriter

Georges Carpentier — Assistant Chief Underwriter

Clifford E. Madden — Supervisor, Lease Guarantee

David Stewart — Supervisor, Housing

John Sutton — Supervisor, Administration

ATLANTIC REGIONAL OFFICE

Suite 1700, 5151 George Street • Halifax, Nova Scotia

Gordon McLean — Manager

QUEBEC REGIONAL OFFICE

Suite 404, 4 Place Ville Marie • Montreal 113, Quebec

J. D. Boudreau — Manager

A. I. MacIntyre — Business Development Officer

B.C. REGIONAL OFFICE

Suite 1604, 1177 West Hastings Street • Vancouver 1, B.C.

G. K. Bright — Manager

W. C. Lee — Business Development Officer

TRANSFER AGENT: The Canada Trust Company

REGISTRAR: Canada Permanent Trust Company

AUDITORS: McDonald, Currie & Co.
